



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

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July 6, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 7 TO AGREEMENT NO. H-210828
WITH FILE KEEPERS, INC. FOR OFF-SITE STORAGE AND
RETRIEVAL SERVICES FOR MEDICAL RECORDS, X-RAY FILM,
AND OTHER DEPARTMENTAL FILES
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services, or his designee, to sign Amendment No. 7 to County contract No. H-210828, substantially similar to Exhibit I, with File Keepers, Inc. for the continued provision of off-site storage and retrieval services of medical records, X-ray film, and other files at various Department of Health Services' (DHS) sites located at Harbor/UCLA (Harbor/UCLA), Martin Luther King, Jr./Drew (King/Drew), and Olive View/UCLA (Olive View) Medical Centers, LAC+USC Healthcare Network (LAC+USC), Public Health Centers, Health Services Administration, Office of Managed Care/Community Health Plan (OMC/CHP) and the Bioterrorism Preparedness Response Program, on a month-to-month basis, effective August 1, 2006 through April 30, 2007, for a total maximum obligation of \$1,158,936, partially offset by \$144,000 in Centers for Disease Control and Prevention funds.
2. To increase Harbor/UCLA's allocation for off-site storage and retrieval services for the current contract period of August 1, 2005 through July 31, 2006, from \$139,253 to \$168,099, an increase of \$28,846.
3. Delegate authority to the Director of Health Services, or his designee, to add other DHS sites/facilities that may require off-site storage and retrieval services for medical records, X-ray film and other departmental files during the term of the Amendment, through an administrative amendment between the Director and Contractor. The estimated additional cost for the addition of other DHS sites or increased storage services will be at the same rates and determined upon the implementation of the new services, and will not exceed 25% (\$289,734) of the maximum obligation for the nine-month extension period.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

During the current period, effective August 1, 2005 through July 31, 2006, Harbor/UCLA has seen an increased number of medical record recalls, and an increased number of requests for medical records to conduct financial (Medicare, Medi-Cal, TARs, insurance, etc.) and quality of care reviews. In addition, clinic visits increased resulting in an additional need for storage of clinic encounter forms which must be retained. Also, Harbor/UCLA's Medical Records Department routinely sends medical charts that had been inactive for five years to off-site storage; however, Medical Records has begun to send charts inactive after only four years for storage because the five-year threshold did not provide adequate shelf space to accommodate an increasing number of medical records. Over 350,000 inactive charts needed to be sent off-site for storage. This action improved medical records file maintenance in preparation for the upcoming Master Patient Index (MPI) clean up and electronic Medical Record Imaging Projects. To address this increased need, Harbor/UCLA requires an additional \$28,846 for the cost of these additional services during the current term.

In approving the recommended actions, the Board is authorizing the continued provision of storage and retrieval services for off-site medical records, X-ray film and other departmental files by File Keepers, Inc., (File Keepers) for various DHS sites to allow the Department additional time to complete a solicitation process. Delegated authority is requested to add additional DHS sites or increase storage services, if necessary.

FISCAL IMPACT/FINANCING:

During the extension period, effective August 1, 2006 through April 30, 2007, the cost for services provided to current DHS sites are: 1) Harbor/UCLA, \$127,500; King/Drew, \$660,000; 3) Olive View, \$100,000; 4) LAC+USC, \$37,500; 5) Public Health Centers, \$15,611; 6) Health Services Administration, \$69,525; 7) Bioterrorism Preparedness and Response, \$144,000; and 8) Office of Managed Care/Community Health Plan, \$4,800, or a total maximum cost of \$1,158,936 comprised of County funds in the amount of \$1,014,936 and Centers for Disease Control and Prevention funds in the amount of \$144,000.

For the period of August 1, 2005 through July 31, 2006, the total cost for off-site storage and retrieval services at Harbor/UCLA is increased from \$139,253 to \$168,099, an increase of \$28,846.

Funding is included in the Fiscal Year 2006-2007 Final Budget and will be requested in future fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The safe maintenance and storage of patient records and X-ray film are required by California Code of Regulations, Title 22, Section 51476. Off-site medical records and X-ray film storage and retrieval services include, but are not limited to, receiving, packaging, transporting, inventorying, filing, storing, retrieving, and destroying at County's request such medical records and X-ray film.

On March 27, 1999, DHS released an Invitation for Bids (IFB) for the provision of off-site storage and retrieval services. By the April 27, 1999 bid submission deadline, a bid was received from File Keepers. File Keepers was the only company to submit a bid. On September 7, 1999, the Board approved the existing agreement with File Keepers for the provision of off-site medical records and retrieval services at Harbor/UCLA and Bellflower, Norwalk and Wilmington health centers through August 31, 2004.

On October 15, 2002, the Board approved Amendment No. 1 which added other DHS facilities that required these services.

On March 18, 2003, the Department issued Amendment No. 2 to add the most current Health Insurance Portability and Accountability Act (HIPAA) language to the Agreement.

On August 10, 2004, the Board approved Amendment No. 3 which extended the term of the Agreement, effective September 1, 2004 through July 31, 2005.

On April 20, 2005, the Department issued Amendment No. 4 to update the HIPAA language in the Agreement.

On June 21, 2005, the Board approved Amendment No. 5 which extended the term of the Agreement, effective August 1, 2005 through July 31, 2006.

On February 14, 2006, the Board approved Amendment No. 6 which augmented the County's maximum obligation for the prior contract period, effective September 1, 2004 through July 31, 2005, and the current contract period, effective August 1, 2005 through July 31, 2006, to cover expenditures incurred in excess of the maximum obligation during both periods.

The Agreement may be terminated with or without cause by the County by providing a 30-day advance written notice. The administrative staff at the various DHS sites will continue to monitor the contractor's performance to assure compliance with the terms and conditions of the Agreement.

Amendment No. 7 will add Whittier Health Center and OMC/CHP which require these services.

Attachment A provides additional information.

County Counsel has approved the Amendment (Exhibit I) as to use and form.

CONTRACTING PROCESS:

On September 7, 1999, the Board approved the current agreement with File Keepers which was selected as a result of an IFB process.

Amendment No. 7 will extend the term of the Agreement on a month-to-month basis, for up to nine months, effective August 1, 2006 through April 30, 2007, to continue the provision of these services at various DHS sites and provide the Department with additional time to complete an IFB process to award a new agreement.

The Honorable Board of Supervisors
July 6, 2006
Page 4

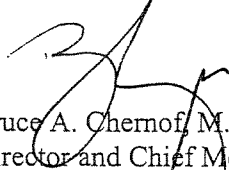
The Department had previously indicated its intent to release the IFB in February 2006. However, due to staff turnover, the IFB could not be completed. The Department intends to release the IFB in August 2006. The IFB will be advertised on the Los Angeles County Online Web Site and in newspapers.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Approval of Amendment No. 7 will ensure the continued provision of off-site storage and retrieval services for medical records, X-ray film and other departmental files.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:jer
BLETC4230.JER.wpd

Attachments

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT1. Type of Service:

Off-site medical records, X-ray films and other documents storage and retrieval at various Department of Health Services' sites.

2. Agency Name/Address/Contact Persons:

File Keepers, Inc.
6277 East Slauson
Los Angeles, CA 90040-3011
Attention: Liz Rogers, Contract Liaison
Telephone: (323) 728-3133 Ext. 320
Fax: (323) 728-1349
E-Mail: Er Rogers@filekeepers.com

Michael Huff, Contract Manager
(323) 889-6536
Fax: (323) 728-1349
E-Mail: Mhuff@filekeepers.com

3. Term:

The term of the Agreement will be effective on August 1, 2006 through April 30, 2007.

4. Financial Information:

The contract cost for services provided to the current County sites will be as follows: 1) Harbor/UCLA, \$127,500; 2) King/Drew, \$660,000; 3) Olive View, \$100,000; 4) LAC+USC, \$37,500; 5) Public Health Centers, \$15,611; 6) Health Services Administration \$69,525; and 7) Bioterrorism Preparedness and Response Program, \$144,000; 8) Office of Managed Care/Community Health Plan, \$4,800 or a total maximum cost of \$1,158,936 comprised of County funds in the amount of \$1,014,936 and Centers for Disease Control and Prevention funds in the amount of \$144,000.

For the period of August 1, 2005 through July 31, 2006, the total cost for off-site storage and retrieval services at Harbor/UCLA is estimated to be \$168,099.

Funding is included in the Fiscal Year 2006-2007 Final Budget and will be requested in the future fiscal years.

5. PROGRAM INFORMATION:

Off-site storage and retrieval services for medical records, X-ray film and other documents.

6. Approvals:

LAC+USC Medical Center:	Pete Delgado, Chief Executive Officer
Harbor/UCLA Medical Center:	Tecla A. Mickoseff, Chief Executive Officer
King/Drew Medical Center:	Antionette Smith-Epps, Chief Executive Officer
Olive View/UCLA Medical Center:	Melinda D. Anderson, Chief Executive Officer
Office of Managed Care:	Dave Beck, Acting Director
Community Health Services	Barry Hunt, Area Administrator
Bioterrorism Preparedness Program:	John Talarico, M.D., Acting Director & Medical Director
DHS Fiscal Services Division:	Eva Guillen, Expenditure Manager, HSA
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel (as to form):	Robert E. Ragland, Senior Deputy County Counsel

ATTACHMENT B

MEDICAL RECORDS AND X-RAY FILM STORAGE
AND RETRIEVAL SERVICES

REVISED - BUDGET EFFECTIVE 8/1/05 THROUGH 7/31/06

<u>Facilities/Sites</u>	<u>Original Maximum Amount</u>	<u>Revised Maximum Amount</u>	<u>Increase</u>
Harbor/UCLA Medical Center	\$ 139,253	\$ 168,099	\$28,846
LAC+USC Healthcare Network	50,000	50,000	-0-
Martin Luther King, Jr./ Drew Medical Center (Includes H.H.Humphrey CHC and Southwest Area HC)	934,500	934,500	-0-
Olive View/UCLA Medical Center	581,760	581,760	-0-
Public Health Centers	17,100	17,100	-0-
Health Services Administration: - Consolidated Business Office - Fiscal Services Division - Office of Ambulatory Care - Controller's Division - Contracts and Grants Division - Human Resources	92,700	92,700	-0-
Bio-terrorism Preparedness Response	<u>120,000</u>	<u>120,000</u>	<u>-0-</u>
TOTAL	<u>\$1,935,313</u>	<u>\$1,964,159</u>	<u>\$28,846</u>

MEDICAL RECORDS AND X-RAY FILM STORAGE
AND RETRIEVAL SERVICES

BUDGET EFFECTIVE 8/1/06 THROUGH 4/30/07

<u>Facilities/Sites</u>	<u>Maximum Amount</u>
Harbor/UCLA Medical Center	\$127,500
LAC+USC Healthcare Network	37,500
Martin Luther King, Jr./Drew Medical Center (Includes H.H.Humphrey CHC and Southwest Area HC)	660,000
Olive View/UCLA Medical Center	100,000
Public Health Centers	15,611
Health Services Administration:	69,525
- Consolidated Business Office	
- Fiscal Services Division	
- Office of Ambulatory Care	
- Controller's Division	
- Contracts and Grants Division	
- Human Resources	
Office of Managed Care/Community Health Plan	4,800
Bio-terrorism Preparedness Response	<u>144,000</u>
TOTAL	\$1,158,936

EXHIBIT I

Contract No. H-210828

MEDICAL RECORDS AND X-RAY FILM STORAGE
AND RETRIEVAL SERVICES AGREEMENT

AMENDMENT NO. 7

THIS AMENDMENT is made and entered into this _____ day
of _____, 2006,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),

and FILE KEEPERS, LLC (hereafter
"Contractor").

WHEREAS, reference is made to that certain document entitled
"MEDICAL RECORDS AND X-RAY FILMS STORAGE AND RETRIEVAL SERVICES
AGREEMENT", dated September 7, 1999, and any Amendments thereto,
all further identified as Agreement No. H-210828, (all hereafter
"Agreement"); and

WHEREAS, it is the desire of the parties hereto to amend
Agreement to augment County's maximum obligation for the current
contract period which is effective August 1, 2005 through July
31, 2006, to cover expenditures incurred in excess of the maximum
obligation during the current period; and

WHEREAS, Agreement is slated to expire on July 31, 2006, and
it is the intent of the parties hereto to amend Agreement to
extend its term on a month-to-month basis, for a maximum of nine

(9) additional months, to and including April 30, 2007; and

WHEREAS, County intends to complete a competitive process for the award of a new contract during the contemplated extension; and

WHEREAS, Agreement provides that further changes to its terms may be made in the form of a written Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereby agree as follows:

1. This Amendment shall be effective August 1, 2006 and continue, on a month-to-month basis, through April 30, 2007.

2. That Exhibit G-5, "Additional Department of Health Services Facility and Custodians of Records" and Exhibit H-5, "Additional Billing Location", shall be added to this Agreement, as attached hereto and incorporated herein by reference.

3. That Paragraph 53.0, MAXIMUM OBLIGATION OF COUNTY, be revised and amended as follows:

"53.0 MAXIMUM OBLIGATION OF COUNTY: During the period beginning August 1, 2005 through July 31, 2006, the maximum obligation of County for all services provided under this Agreement shall not exceed One Million, Nine Hundred Sixty-Four Thousand, One Hundred Fifty-Nine Dollars (\$1,964,159). This sum represents the total maximum obligation of County as shown in Schedule 4-A, attached hereto and incorporated

herein by reference.

During the period beginning August 1, 2006 through April 30, 2007, the maximum obligation of County for all services provided under this Agreement shall not exceed One Million, One Hundred Fifty-Eight Thousand, Nine Hundred Thirty-Six Dollars (\$1,158,936). Such maximum obligation is comprised of: 1) County funds in the amount of One Million Fourteen Thousand, Nine Hundred Thirty-Six Dollars (\$1,014,936), and 2) Centers for Disease Control and Prevention funds in the amount of One Hundred Forty-Four Thousand Dollars (\$144,000). This sum represents the total maximum obligation of County as shown in Schedule 5-A, attached hereto and incorporated herein by reference."

During the term of this Agreement, if additional County sites that require off-site medical records, X-ray film and other departmental files storage and retrieval services request to be added to this Agreement and if sufficient monies other than the maximum obligation monies under this Agreement are available, the Director of Health Services, or his authorized designee, has delegated authority to increase the maximum obligation by an amount not to exceed 25% of the

maximum obligation; i.e., Two Hundred Eighty-Nine
Thousand, Seven Hundred Thirty-Four Dollars (\$289,734).

Any increase in the County's Maximum Obligation
because of additional services requested by the County shall
be accomplished by an Administrative Amendment between the
Director of Health Services, or his authorized designee, and
the Contractor.

4. Except for the changes set forth hereinabove, Agreement
shall not be changed in any respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of
Los Angeles has caused this Amendment to be subscribed by its

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Director of Health Services, and Contractor has caused this
Amendment to be subscribed in its behalf by its duly authorized
officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Bruce A. Chernof, M.D.
Director and Chief Medical
Officer

FILE KEEPERS, LLC.
Contractor

By _____
Signature

Print Name

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL
RAYMOND G. FORTNER, JR.
County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By _____
Cara O'Neill, Chief
Contracts and Grants Division

AMENDCD4231.JER
06/27/06

ADDITIONAL DEPARTMENT OF HEALTH SERVICES
FACILITY & CUSTODIAN OF RECORDS

WHITTIER PUBLIC HEALTH CENTER

7643 S. Painter Avenue
Whittier, CA 90602
Attention: Leticia Ortega
Telephone: (562) 464-5350
Fax: (562) 698-8857

OFFICE OF MANAGED CARE/COMMUNITY HEALTH PLAN

1000 South Fremont Avenue
Building A-9 East, 2nd Floor, Unit 4
Alhambra, CA 91803
Attention: Jackie Motobo
Telephone: (626) 299-5343
Fax: (626) 281-5396

ADDITIONAL BILLING LOCATIONS

PUBLIC HEALTH FINANCE

5555 Ferguson Drive, Room 100-50
Commerce, CA 90022
Attention: Razak Ayoola
Telephone: (323) 890-7827
Fax: (323) 890-7965

OFFICE OF MANAGED CARE/COMMUNITY HEALTH PLAN

1000 South Fremont Avenue
Building A-9 East, 2nd Floor, Unit 4
Alhambra, CA 91803
Attention: Jackie Motobo
Telephone: (626) 299-5343
Fax: (626) 281-5396

SCHEDULE 4-A

MEDICAL RECORDS AND X-RAY FILM STORAGE AND RETRIEVAL SERVICES

REVISED - BUDGET EFFECTIVE 8/1/05 THROUGH 7/31/06

<u>Facilities/Sites</u>	<u>Original Maximum Amount</u>	<u>Increase</u>	<u>Revised Maximum Amount</u>
Harbor/UCLA Medical Center	\$139,253	\$28,846	\$168,099
LAC+USC Healthcare Network	50,000	-0-	\$ 50,000
Martin Luther King, Jr.,/ Drew Medical Center (Includes H.H.Humphrey CHC and Southwest Area HC)	934,500	-0-	\$934,500
Olive View/UCLA Medical Center	581,760	-0-	\$581,760
Public Health Centers	17,100	-0-	\$ 17,100
Health Services Administration:	92,700	-0-	\$ 92,700
- Consolidated Business Office			
- Fiscal Services Division			
- Office of Ambulatory Care			
- Controller's Division			
- Contracts and Grants Division			
- Human Resources			
Bio-terrorism Preparedness Response	<u>120,000</u>	<u>-0-</u>	<u>\$120,000</u>
TOTAL	<u>\$1,935,313</u>	<u>\$28,846</u>	<u>\$1,964,159</u>

SCHEDULE 5-A

MEDICAL RECORDS AND X-RAY FILM STORAGE AND RETRIEVAL SERVICES

REVISED - BUDGET EFFECTIVE 8/1/06 THROUGH 4/30/07

<u>Facilities/Sites</u>	<u>Maximum Amount</u>
Harbor/UCLA Medical Center	\$127,500
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Martin Luther King, Jr./Drew Medical Center (Includes H.H.Humphrey CHC and Southwest Area HC)	660,000
Olive View/UCLA Medical Center	100,000
Public Health Centers	15,611
Health Services Administration:	69,525
- Consolidated Business Office	
- Fiscal Services Division	
- Office of Ambulatory Care	
- Controller's Division	
- Contracts and Grants Division	
- Human Resources	
Office of Managed Care/Community Health Plan	4,800
Bio-terrorism Preparedness Response	<u>144,000</u>
TOTAL	<u>\$1,158,936</u>